

A. A REVIEW OF VIETNAMESE COMMUNIST RICE REQUIREMENTS AND CAMBODIAN RICE SMUGGLING AND SALES

1. Background. Until 1965 Communist forces in South Vietnam obtained virtually all of their food from within South Vietnam. Since 1965, the increasing number of North Vietnamese troops committed to the South, the increasing denial of South Vietnamese rice to the Communists through allied operations, and the concentration of Communist Regular Forces in the border areas and rice-deficit highlands have all made it more difficult for the Communist forces to obtain sufficient food from within South Vietnam.

2. Communist Food Requirements. Communist Vietnamese Regular Forces and Administrative Support troops in South Vietnam have an annual food consumption requirement of slightly more than 50,000 metric tons.^{1/} To ensure this consumption level, substantial additional amounts must be provided to cover losses due, in large part, to spoilage and to allied operations.

^{1/} The food requirement for these forces cited in SMLE 57 1-67 -- 130 (short) tons per day, or 60,000 metric tons per year -- includes a 15 percent allowance for spoilage.

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3. Most of this food is obtained locally within South Vietnam, but 15 to 20 percent of it is obtained from Cambodia. Cambodian food is most important to the Communist forces deployed in the rice-deficit South Vietnamese provinces along the northeastern Cambodian border. Communist forces in the six provinces of Kontum, Pleiku, Daklak, Quang Duc, Phuoc Long and Binh Long -- probably get all of their food from Cambodia, while those in Tay Ninh Province are believed to meet about half of their requirements from Cambodian sources.^{2/} To cover their annual requirements for consumption alone, Communist Vietnamese Regular Forces and Administrative Support troops in these seven provinces which number about 40,000, probably obtain from Cambodia nearly 8,000 metric tons of rice. Communist Vietnamese forces in southern Laos are believed to require an additional 5,000 metric tons of rice annually from Cambodia. Thus Communist consumption requirements for Cambodian rice total about 13,000 metric tons. Allowing a 15 percent factor for spoilage would raise this requirement to about 15,000 metric tons and losses inflicted by US ground sweeps would raise this total even further.

2/ See attached map.

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Considering this and other factors we estimate that the combined annual requirements of Communist Regular Forces and Administrative Support troops in South Vietnam and southern Laos for Cambodian rice, probably do not exceed 20,000 metric tons.

4. Official Sales. A Cambodian government agreement to sell rice to the Viet Cong, an arrangement that does not infringe upon Cambodia's neutral status, was first reported late in 1965. The existence of such an agreement was acknowledged by Prince Sihanouk in November 1967. There are reliable reports that in 1966 the official agreement called for Cambodia to deliver to the Communists 20,000 metric tons of rice and possibly as much as 30,000 metric tons. Recent covert reports indicate that official Cambodian rice sales of about 16-20,000 tons a year are continuing. This volume of sales is very much in agreement with our estimates of Communist requirements.

5. Allocation and Routes. The locations and distribution of Communist forces suggest how this Cambodian rice is allocated. We believe the bulk of it funnels through the tri-border, Se San and Chu Long base areas. The northeastern provinces of Cambodia as a

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group are a rice-deficit area; rice is shipped from other parts of Cambodia for sale to the local population there. Therefore, with the exception of a possible rice surplus from Ratanakiri province, the rice sold to the Vietnamese through northeastern Cambodia comes from other parts of Cambodia. It is either trucked or shipped via the Mekong to the Strung Treng area. From there, three main routes are used for delivery to the Communists: the Tonle Kong and Tonle Sap rivers, and route 19.

6. Smuggling. We have little reliable information on how much smuggling of rice takes place above and beyond the official main sale nor how it is allocated. We do not believe it involves great amounts because we see no great Communist requirement for additional rice beyond the amount covered by the official sale. 100,000 tons, for example, would feed 400,000 men for one year, and since such an amount of rice would have to pass through northeastern Cambodia from other parts of Cambodia, its movement would require such a commitment of trucks as would almost certainly draw more attention than the movements we have observed.

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7. Since the fall of 1966, the Cambodian Government has cracked down on smugglers of all types including those dealing with the Communists. A number of measures, including establishment of numerous check points along rivers and roads involved in deliveries have restrained but not eliminated smuggling. Rice moving on both army and civilian trucks to the Communists under the official agreement appears to have official written authorization to pass through check points. In sum, although Vietnamese Communists in certain border areas may find it convenient to continue to obtain rice through unofficial channels, their agreement with Sihanouk makes them independent of this source.

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9. There are other reasons we are skeptical about the

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amount of rice smuggled to the Communists was considerable. a) the 20,000 tons or so of milled rice that these Communist forces might want annually is a relatively small amount - about 1% of Cambodia's total production (of about 2.5 million tons of paddy rice). And 20,000 tons of milled rice would represent only 4 to 10% of Cambodia's total rice exports (200 to 550,000

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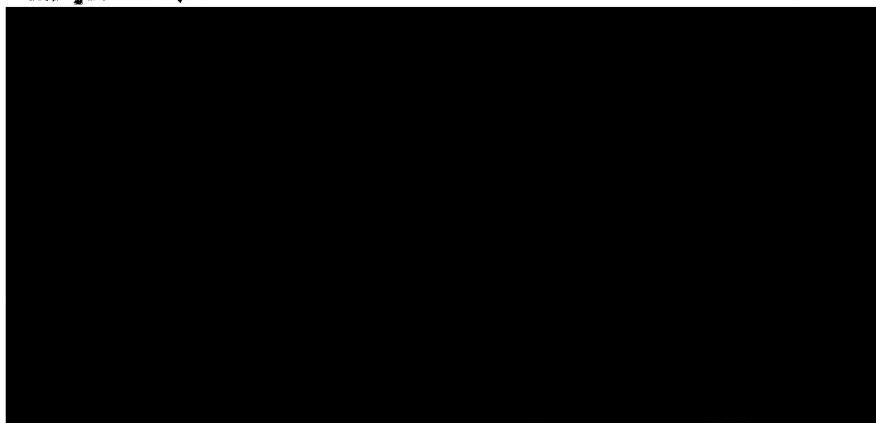
in Cambodia going into rice production. (The capacity for additional production in Cambodia is considerable as much

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potential land is not used, and the present yield is among the lowest in the world, due largely to the minimum effort most Cambodians make to get maximum production from their land.) Moreover, the higher domestic price for rice would cause discontent among the large part of the Cambodian population who are consumers, not growers, and this would probably result in more vigorous government measures to control smuggling and the price. (c) [REDACTED] 25X1X5

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controls over smuggling which have been established over the past two years. (These were set up because of official Cambodian concern over loss of tax revenue and foreign exchange through rice smuggling).

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